

Divided Public Opinion: Understanding the Ongoing TPP Debate in Japan

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The ongoing debate on whether Japan should join the Trans-Pacific Partnership Agreement (TPP) negotiation or not has divided the public opinion. In nearly two years after the government expressed a positive stance on the TPP issue, main arguments of both TPP pros and cons are well presented which makes it possible for a thorough investigation. The debate reveals contradictory views among Japanese people on major issues relating to the direction of the nation's development, yet it could hardly be analyzed within the framework of traditional left-right dichotomy. Based on a comparison between opinions opposite to each other, this article categorizes the key issues under debate into four dimensions: the economic impact, the U.S. intention, trade policy, and an effective prescription for Japanese economy. Through analyzing the major issues of the debate, this article tries to clarify the fundamental oppositions underlie the different opinions, and intends to contribute to a balanced understanding of the ongoing debate on TPP and its impact on Japanese society and politics in particular.

Key words: Japan Public Opinion TPP Debate

1. Introduction

Japan's policy makers found themselves at a crossroads when the U.S. announced its participation in the negotiations for the Trans-Pacific Partnership Agreement (TPP)¹. Although former PM Kan Naoto and his successor expressed Japan's interest in joining the negotiation, the fierce anti-TPP movement that followed shows that the nation has not reached a consensus on this issue. Public opinion is divided over Japan's participation in the TPP negotiation: TPP proponents see joining TPP as a golden opportunity for the country to open wider to trade, and TPP opponents deem it a suicide to involve the country in TPP negotiation. In the wake of the deepening debate among Japanese people, issues beyond TPP itself, such as Japan-U.S. relations, international trade, and tackling deflation, are widely discussed and the arguments influence the policy making as well. Due to the divergence of views inside the former ruling party (DPJ), an official announcement of joining the TPP negotiation was postponed.²

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¹ Trans-Pacific Partnership (TPP) Agreement is an economic partnership agreement signed by Singapore, New Zealand, Chile, and Brunei that came into effect in 2006. In November 2009 President Obama announced in a speech in Tokyo that the U.S. would engage with the TPP. The first round of negotiations for a wider agreement was held in March 2010, with eight countries participating (the U.S., Australia, Peru, and Vietnam in addition to the original members). Malaysia participated in the third round in October 2010. Japan, Canada and Mexico showed their interest in participating negotiation, and the U.S. government has showed its intention to include Canada and Mexico in the ongoing negotiation on July 9th 2012.

² Before left for Washington in late April 2012, PM Noda decided not to announce Japan's participation in TPP negotiation due to strong objection from the ruling party. Although the APEC summit in September 2012 was considered to be the last chance for Japan to announce its participation if it wants to join the TPP negotiation within the year of 2012, the DPJ was far from reach a consensus and had to postpone the announcement once again.

The TPP has been subjected to unprecedented concerns in Japan like no other economic agreements. And it becomes one of the most disputative issues that divide the nation's public opinion in the context of multiple crises. In order to instruct the public and influence the government's decision making, related interest groups, stakeholders, journalists, scholars, and independent analysts participate in the debate through various media. In nearly two years after the Japanese government showed positive stance on the TPP issue, main arguments of both TPP proponents and opponents have been presented, and this makes it possible for a thorough investigation on the debate. However, until now, almost all the Japanese literatures on TPP have either pro- or anti- TPP stance, and academic examinations and explanations that include both sides is yet to be seen.

TPP debate is different from the traditional debates such as constitutional amendment in the way that there is no clear cut "left" and "right" differentiation of the public opinion: both liberal and conservative groups are divided inside concerning on Japan's joining the TPP negotiation. Therefore, this article categorizes the major conflicting points of views basing on the contents of various arguments instead of the group of people who hold the arguments. Concerning on the contents of the arguments, despite possible direct economic impacts, international relations and the flow of economic and political thought are also involved in the debate. Through analyzing from four dimensions of the pro- and anti- TPP opinions, this article tries to clarify the fundamental oppositions underlie the different opinions, and intend to contribute to a balanced understanding of the ongoing debate on TPP and its impact on Japanese society and politics in particular.

2. Key Issues under Debate

2.1 Economic Gains and Losses: the Competitive Gap

The debate over TPP started between the competitive industries represented by manufacturing sector (business enterprise) and industries less competitive such as agricultural, medical, and financial sectors. These sectors are supposed to be affected the most by government's decisions concerning TPP. From the perspective of economic interests, the merits and demerits of joining the TPP negotiation are the major concerns of both TPP proponents and opponents. Gaps of competitiveness among different industries are the fundamental cause of the difference of perspectives on the economic impacts that would be brought about by joining the TPP negotiation.

Japanese business enterprises and transnational companies in particular benefit the most from the liberalization of trade and regional economic integration. During the last ten years, Japan has signed multiple "Economic Partnership Agreements" (EPA)³ with Asian countries. These EPAs not only enable Japanese companies to expand markets in Asia, but also help the latter to build up regional supply chains. However, Japan hesitates to negotiate trade agreements with major developed economies such

³ EPA is considered to be the Japanese version of Free Trade Agreement (FTA). While FTA usually deals with goods and service, EPA contains investments and social infrastructure as well. In most EPAs, Japan managed to protect its agriculture by reservation on tariff relief.

as the EU and the U.S. One of the most important reasons is that Japan's agricultural sector lacks competitiveness compared to other developed economies, and it is almost impossible for Japan to expect compromise from the latter as the Asian countries made with Japan. Therefore, people in business enterprises realize that the only way to sign an EPA with developed economies is to push agricultural reform in order to enhance agricultural competitiveness.

When the U.S. actively initiated joining TPP negotiations, people in business enterprises think it is a good opportunity for Japan to change its free trade policy and thus it would provide chances for the manufacturing sector to promote exports. In June 2010, the Japan Business Federation (*Keidanren*), which represents the interests of big companies, submitted a policy proposal to the government recommending a new free trade strategy. The proposal points out that Japanese enterprise' global supply chains should extend beyond Asia to include Europe and North America as area of final consumption. Since the U.S. regards the TPP as a key step toward achieving a Free Trade Area of the Asia-Pacific (FTAAP), and is participating in TPP negotiations, it is necessary for Japan to sign an EPA with U.S. and to participate in TPP before 2015.⁴ In November 2010, right before the Yokohama APEC summit, *Keidanren* and two other major Japanese economic associations submitted a joint proposal to the government urging participation in the TPP negotiations as early as possible.⁵

Another important reason for business enterprises' enthusiasm for the TPP lies in the anxiety about being left behind in the race for markets. Japan and South Korea have competed with each other for global markets for years, especially in electrical appliances and cars. Since South Korea signed FTAs both with the EU and the U.S, Korean goods have more advantages than Japanese goods in these major markets. In October 2011, Korean government issued a report that reveals the rapid growth of car exporting to Europe since the Korea-EU FTA entered into force 3 months ago.⁶ Japanese companies are more anxious than ever to counter balance the disadvantages caused by high currency exchange rates and the lag in signing FTA with major markets.⁷ This heightens Japanese manufacturing sector's willingness of participating in the TPP.

In order to reduce obstacles for an FTA strategy, business enterprises have been urging agricultural reforms to enhance its competitiveness, and have called the TPP *Gaiatsu* (foreign pressures) to the reforms. However, people working in the agricultural sector argue that, since TPP requires abolition of all tariffs, and Japanese land scale and cost of farm products could never compete with that of the U.S., there is no chance for Japanese agriculture to survive. Under such circumstances, a huge amount of people would lose their jobs and the self-sustenance rate of food would fall down and therefore put

⁴ Nippon Keidanren. June 15, 2010. Toward Sustainable Growth in the Asia-Pacific Region (Summary). <<http://www.keidanren.or.jp/en/policy/2010/054summary.pdf>>.

⁵ Nippon Keidanren. 2010. *TPP Kōshō e no sōkisanaka o motomeru* [A request for an early participation in the TPP negotiation]. <<http://www.keidanren.or.jp/policy/2010/101.html>>.

⁶ *Nikkei Business*. 17 November 2011. *Nihon kigyō mo Kankoku ni wataru* [Japanese enterprises can go to Korea as well]. 40–45.

⁷ *Nihon Keizai Shimbun*. 4 November 2010. *Ima TPP ni sankā subeki ka: kankeisha no shuchō sansei keizaikai Sakurai Masamitsu* [Should Japan participate in the TPP now: the proponent from the economic circle, Sakurai Masamitsu]. 5.

food security under threat.⁸ Analysis also reveals that an open agricultural market does not simply mean buying American food. According to the experience of Canada and Mexico, since the North America Free Trade Agreement (NAFTA) entered into force, Canada's agriculture has been mostly controlled by American big agribusiness companies, and Mexico's self-sustenance rate of food fell down from 90% to 60%.⁹ In fact, the 12 countries that have signed EPA with Japan either have limited agriculture or have made compromises in exporting farm goods to Japan. But if Japan participates in the TPP negotiations, it would be much harder to protect its agricultural sector. According to the trial calculation by the Ministry of Agriculture, Forestry, and Fishery, due to the possible tariff relief that Japan has to adopt in joining the TPP, Japan's self-sustenance rate of food would drop from 40% to 14%, and the loss of job opportunity would reach 3.4 million.¹⁰

Anti-TPP analysts also address that economic effects aside, there would be many other influences caused by joining the TPP. Because agriculture has multiple functions besides feeding the people, introducing market competition into the agricultural sector would cause damage to those functions as well. Therefore, it would erode the basis for people's lives, and threaten Japanese traditions and lifestyle. Some analysts even explore from the perspective of maritime security. They argue that there are many isolated islands in Japan that have the function of maintaining Japan's sea rights and maritime security. Joining the TPP would totally destroy the economy and society of these islands, and probably turn them into desert islands.¹¹ Considering that many isolated islands' main industries are sugar cane planting and farming, the impact of the TPP would be considerable.

Besides agriculture, medical sector and a part of the financial sector are also among the anti-TPP group. Japanese medical sector is highly alert to the government's decision on TPP. The Japan Medical Association (JMA) pointed out that TPP would lead to the liberalization of Japanese medical service, and thus lead to the collapse of the Universal Health Insurance System which is deemed to have contributed to Japanese high level of life expectancy and healthcare standards.¹² Moreover, the agriculture-related banks, and *Yucho* (Japan Post Bank) which is the largest depository financial institution in Japan, are supposed to be affected largely by joining the TPP. Although these banks seemed prudent to comment on the TPP issue, there are opinions pointed out that their huge amount of customers' savings is one of the major targets of the U.S. TPP initiative.

From the perspective of economic gains and losses, proponents often charge the opponents as the

⁸ *Nihon Keizai Shimbun*, 4 November 2010. *Ima TPP ni sanku subeki ka: kankeisha no shuchō hantai nōgyōdantai Fuji Shigeo shi* [Should Japan participate in the TPP now: the opponent from the agricultural groups, Fuji Shigeo]. 5.

⁹ Nakano Takeshi, Higashitani Satoshi & Mitsuhashi Takaaki, May 2011. "TPP kaikokuron" no uso [The lie of TPP as an opportunity to open the country] Tōkyō: Asukashinsha. 178–186.

¹⁰ Gaimushō. *TPP nitsuite* [About the TPP] visited on August, 22nd, 2012.

〈<http://www.maff.go.jp/j/council/seisaku/syokuryo/110202/pdf/refdata5.pdf>〉.

¹¹ Yamada Yoshihiko. *TPP gawa ga kuni no kaiyō anzen ni ataeru eikyō* [TPP's impact on our nation's maritime security]. *Gekkan JA*. 2011/11. 37–41.

¹² For JMA's opinion concerning on TPP, see the JMA's website: <http://www.med.or.jp/jma/nichii/>; for the detail of Universal Health Insurance System, see the website of Ministry of Health, Labor, and Welfare: http://www.mhlw.go.jp/bunya/iryouho/ken/iryouhoken01/dl/01_eng.pdf.

vested interests, yet the fact is that the reason for the proponents to support the TPP also lies in their own interest. Therefore, it is fair to say that the competitive gap among different industries leads to opposite opinions about the economic merits and demerits that the TPP would bring about. Several departments of Japanese government provided figures assessing the gains and losses if Japan signed the TPP, but those figures differ from each other, and have made the public even more confused. Major newspapers support joining the TPP negotiations in general, and focus on how to make manufacturing and agriculture compatible on the premise that Japan joins the TPP.¹³

2.2 The U.S. Intention: Rootless Belief or Persecution Mania?

With regards to Japan, the TPP is not its own initiative, nor is it from its own needs to join the TPP negotiations. It is only after the U.S. announced its interest in joining the TPP that Japan had to make a decision whether to follow the U.S. or not. Therefore, Japan is somehow reactive. To what extent would the TPP affect Japan? It is not decided solely by Japan's own choice, but also depends on the U.S. intentions. Opinions on U.S. intentions are also divided: TPP proponents advocate openness to the U.S. and think it unnecessary to assume the TPP as a trap for Japan, and name the opposite opinion a *Higai Mōsō* (persecution mania)¹⁴; while TPP opponents are highly alerted on U.S. intentions, and criticize the idea that the TPP will bring about welfare for Japan and call it a rootless belief.¹⁵

Proponents see the TPP as “high quality, 21st century” agreement led by the U.S. Because the WTO Doha Round could not deal with the contradiction between developed and developing countries, worldwide multilateral free trade negotiations face difficulties. Under WTO rules, developed countries should adopt lower tariff towards goods imported from developing countries, and there is no such rules within TPP clauses. Furthermore, after the U.S. entry into the negotiation, 24 negotiation groups were set, which reflected the U.S. intention of formulating rules towards the developing countries. In this sense, the U.S. would welcome Japan's participation, because without Japan, the TPP could not be successful.¹⁶ Some U.S. officials also share the same idea,¹⁷ and this encourages TPP proponents. They believe that through joining the TPP, Japan could be a rule maker and create rules that govern the Asia-Pacific. Apparently, creating rules with the U.S. and asking the developing countries to follow is favorable to Japan. It would save Japan the trouble of negotiating protection of intellectual property and relief of regulations on government procurement with the developing countries one by one.

¹³ One of Asahi Shimbun's editorial could serve as a good example. *Asahi Shimbun*. 20 December 2010. *TPP to Nōgyō suitai moderu dakkyaku no kōki da* [TPP and agriculture: a good chance to walk out of deflation pattern].

¹⁴ Umada Keiichi. *Beikoku no TPP senryoku: haikai to kadai* [American TPP strategy: background and tasks]. Kaigai Jijyō. 2011/9. 31–45.

¹⁵ Nakano Takeshi, Higashitani Satoshi & Mitsuhashi Takaaki. May 2011. “TPP kaikokuron” no uso [The lie of TPP as an opportunity to open the country] Tōkyō: Asukashinsha. 78.

¹⁶ Iwata Nobuhito. *WTO TPP kōshō to wagakuni no nōgyōkobetsushotokuhoshō* [WTO•TPP negotiation and our nation's agriculture and household income support]. Seikai Keizai Hyōron. (2011) 5/6. 18–25.

¹⁷ Calman J. Kohen. *Nijyuiseki no kyōtei no sōshutsunimukete* [TPP: creating a 21st-century agreement]. Keizai Trend. 2011/4. 26–27.

A pro-TPP scholar argues that among the 9 developed economies in Asia-Pacific region, Japan has the least bilateral FTAs with other developed economies, and is isolated to some extent. Because the tariff level in general is quite low in the region, tariff relief is a minor issue comparing with rule-making. Since Japan shares interest with the U.S. on rule-making, if Japan does not join the TPP negotiation, U.S. congress would not support the TPP; but if Japan joins, it could act as a bridge between the U.S. and East Asia, and thus Japan should be welcomed by the U.S. Meanwhile, China could not participate in such a high level FTA right now. In this sense, Japan's participation in the TPP could urge China to change its policy.¹⁸ The Nikkei Shimbun articulates the nature of the TPP as "putting China's large scale economy into consideration, and formulating a set of fair and transparent trade rules in the Asia-Pacific region."¹⁹ A conservative opinion leader expressed undisguisedly that if Japan joins hands with other TPP members in maintaining common regional rules, "the proposed infrastructure may be very effective as a deterrence against China".²⁰

However, TPP opponents see a glum prospect of participating in TPP negotiation. They think that to understand U.S. intentions of pushing forward the TPP, it is necessary to understand the U.S. current situation and the history of Japan-U.S. relations. Anti-TPP analysts point out that U.S. motive of pushing forward the TPP is to resolve its domestic problems and to create jobs by expanding trade. As President Obama addressed in 2010, "I would only sign deals that keep faith with American workers, and promote American jobs."²¹ This made the TPP opponents believe that the only thing the U.S. president cares about is American interests, which sometimes contradict with those of the Japan's. An analyst pointed out the Japanese newspapers intentionally omitted the above quotation when they reported President Obama's speech, and this is apparent information manipulation.²² Another analyst maintains that the main task that the Obama Administration faces is to recover economic growth through expanding trade. The U.S. pays most of its attention on investment and financial sector, and these two sectors originally were not included in the TPP agreement. The U.S. managed to put them on the negotiation table despite objections from some other TPP members.²³ Therefore, the U.S. intention does not lie in targeting developing countries, but in extending overseas financial market and investment. Japan's relatively closed market is also an important target.

Some scholars emphasize the importance of learning from history. U.S. goods gradually lost com-

¹⁸ Kimura Fukunari. *Nihon keizai wa ajitaiheiyo no furontia ni dō tachimukau ka?* [How should Japanese economy face up to the Asia-Pacific frontier?]. Seikai Keizai Hyoron. (2011) 1/2. 40-51.

¹⁹ *Nihon Keizai Shimbun*. January 19 2012. *Beikoku no yōbō o ginmishite TPP kōshōsoge* [Examine the U.S. demands and participate in the TPP negotiation as early as possible].

²⁰ Yoshiko Sakurai. Time to Get over Emotionalism and Face up to the Trans-Pacific Strategic Economic Partnership Agreement (TPP), <<http://yoshiko-sakurai.jp/index.php/2011/11/22/time-to-get-over-emotionalism-and-face-up-to-the-trans-pacific-strategic-economic-partnership-agreement-tpp/>>.

²¹ <<http://www.whitehouse.gov/the-press-office/2011/01/25/remarks-president-barack-obama-state-union-address>>.

²² Nakano Takeshi, Higashitani Satoshi & Mitsunashi Takaaki. May 2011. "TPP kaikokuron" no uso [The lie of TPP as an opportunity to open the country] Tōkyō: Asukashinsha. 29.

²³ Hagiwara Shinjirō. *Amerika no tsūshōseisaku to TPP* [American trade policy and the TPP]. Seikai Keizai Hyōron. (2012) 3/4. 51-53.

petitiveness in late 1960s. Since then, the U.S. has adopted a series of trade protection policies. Super 301 article is an example of U.S. protectionism. Since 1989, Japan–U.S. Structural Impediments Initiative had been launched, and the U.S. continuously required Japan to reform its economy in order to reduce its trade surplus. U.S. requests have been reflected annually in the U.S.–Japan Regulatory Reform and Competition Policy Initiative since 1994. Japan has to follow the U.S. suggestion and reform its economy step by step.²⁴ These experiences make TPP opponents believe that the U.S. will conduct the same in the TPP negotiations, and Japan’s government is not capable of making rules or norms together with the U.S. Besides, a scholar compared the WTO principle with the U.S. way of negotiation, and pointed out that the U.S. usually asks the opposite party to adopt the same rules, and this is a violation of the principle of the WTO.²⁵

There are also conspiracy theories, for example, a politician wrote that the U.S. is pushing forward a hegemonic strategy through the controlling of plant seeds and agricultural technology when Japanese hardly notice it.²⁶ While proponents deeply doubt the conspiracy theory, opponents expressed strong distrust of the American intention in including Japan in the TPP negotiation. This reflected two contradictory ideologies in Japan: pro- and anti- U.S. Since it is hard to identify U.S. intentions, there is no sign that one group could persuade the other from this perspective.

2.3 Tackling Crisis: Free Trade or Protectionism?

The U.S. announced participating in the TPP negotiation against the background of global financial crisis. When debate over TPP in Japan reached a peak, the Great East Japan Earthquake and the Fukushima Nuclear Accident that followed plunged the nation into a deeper crisis. The TPP debate thus becomes a part of the discussion on how to tackle multiple crises. For TPP proponents, free trade framework such as the TPP is not only a solution for tackling the global crisis, but also a precious chance for Japan to enhance its international status and thus help the country to walk out of the influence declining crisis. But the opponents observe that under the situation of global crisis, free trade is rather a zero-sum game than a win-win situation, and nation state ought to play critical roles in tackling the crisis.

Some scholars compare current financial crisis with the Great Depression in 1929 and the twenty-year crisis between two world wars. Their argument is that the cause of World War II was the forming of economic blocs by big powers and the lack of international coordination. Since the economic bloc is a reflection of protectionism, free trade is a solution for world peace. But the prevailing practice of bilateral FTAs makes it possible for some countries to seek regional hegemony. Therefore it is necessary to push forward multilateral FTAs in a wide area, and the TPP has the potential to be the core of

²⁴ Sakuradani Katsumi. *Amerika no tainichi taiajia seisaku to TPP* [The U.S. policy toward Japan, Asia, and TPP]. Keizai. 2012–1. 94–108.

²⁵ Itō Mitsuharu. *Sengo kokusai boeki rûru no risô ni kaere* [Return to the ideal of post-war international trade rule]. Sekai. 2011/5. 272–279.

²⁶ Hamada Kazuyuki. *TPP ni kakusareta shokuryô shihai senryaku* [The grain hegemonic strategy covered by the TPP] Gekkan Nippon. (2011) 12.

FTAAP.²⁷ And also, since Japan's EPAs excluded some agricultural goods, participating in TPP helps to enhance Japanese EPA's quality.²⁸ Another opinion advocates that to recover from financial crisis, enhancing trade and investment is critical, and a binding FTAAP would help to do this job.²⁹ In order to prevent de-industrialization from deteriorating, Japan should devote more efforts in pursuing free trade, and participating in the TPP is especially important in forming an FTAAP.³⁰

It is also worth mentioning that some TPP proponents think that joining the TPP would help Japan play a leading role in formulating regional economic order. For example, some think that the TPP is the updated version of the Pacific Rim conception raised by Japan in 1960s, and it is a good chance for Japan to revitalize this concept. Japan benefited and will continuously benefit from free trade in the future. Furthermore, Japan should utilize its free trade network in East Asia, and turn it into a supplement to the TPP. It would be wise for Japan to promote both the TPP and an FTAs among Japan, China, and South Korea (JCK) at the same time.³¹ It is understandable that if Japan does so, its bargaining power in both cases would be enlarged significantly. The fact that the JCK process has been accelerated since Japan announced its interest in the TPP makes the proponents believe more firmly than ever that Japan could enhance its international status by joining the TPP negotiation since the nation has long been in the crisis mode of "Japan passing".

TPP opponents have different opinion on the ongoing crisis. Some scholars point out that the financial crisis actually makes countries more domestically-oriented, and nationalism is rising. The U.S. has neither the willingness nor capability in building new international order, and has to focus on gaining interests for its own people; EU is facing serious crisis of disintegration as shown in the Greece debt crisis. Due to the rise of nationalism, the ongoing crisis is different in nature from the twenty-year crisis. It is impossible to form economic blocs nowadays as the British had done. Moreover, considering the rising nationalism in Asia-Pacific region, the TPP is likely to dismantle by itself, let alone making rules for the whole world.³² In other words, in order to tackle the crisis, every nation is trying to increase its domestic demands, and therefore expanding trade means robbing other countries of job opportunities. Therefore under the situation of global economic crisis, free trade is not a win-win solution for the current crisis.

There are also opinions questioning free trade theory itself. The main argument is that nation state should play critical roles in tackling the crisis instead of resorting to free trade. It emphasizes that reg-

²⁷ Watanabe Yoriuzumi. *Shinobioryu "shin hogoshugi" to kokusai tsūshō taisei* [The "Neo-protectionism" creeps and the international trade system] Keizai Kenkyūsho Nenpo 24 (2011).

²⁸ Watanabe Yoriuzumi. October 2011. *TPP sanko to iu ketsudan* [The decision of joining the TPP negotiation]. Tōkyō: Wedge. 18–19.

²⁹ Urata Shūjirō. January 19 2009. *Ajia kenkyū hōkoku* [Asia research report]. Nihon Keizai Shimbun.

³⁰ Urata Shūjirō. July 29 2011. *Sangyō kūdōka: bōshi no tame bōeki jiyūka suishin o* [De-industrialization: push forward free trade to prevent it from happening]. Nihon Keizai Shimbun.

³¹ Yamazawa Ippei. *Nihon no ajia taiheiyō kōsō o hasshin seyo* [appealing for Japanese idea of Asia-Pacific framework]. Sekai Keizai Hyōron. (2012) 3/4.

³² Nakano Takeshi, Higashitani Satoshi & Mitsunashi Takaaki. May 2011. *"TPP kaikokuron" no uso* [The lie of TPP as an opportunity to open the country] Tōkyō: Asukashinsha. 261–263.

ulations of international market are decided by politics. For example, the currency regime and international standard system could have great influence on companies, but companies have no say on these issues. It is an issue of international politics. With regards to political power, the U.S. is overwhelmingly stronger than Japan. Since tariffs provide effective protection of domestic industries, if Japan gives up tariff protection, then the U.S. could occupy Japanese market easily by inducing fluctuations in the exchange rate. Furthermore, there are values in daily life that could not be fairly decided by markets, and fairness requires respect for diversity of values. Free trade that pursues profit would destroy a diversified society, and since defending diversity is the value of liberalism, it is fair to say that pushing forward free trade is an anti-liberal practice.³³ There are also concerns about future disputes resolving procedure of TPP may lead to constitutionalization of economic agreements, thus eroding national sovereignty.³⁴

Contradictory opinions on tackling the crisis reflect different understandings of the cause of the financial crisis. TPP proponents worry that the prevailing bilateral FTA would cause the formation of economic blocs and lead to a worse crisis. So they propose participating in the TPP to avoid it. But TPP opponents refer the crisis from globalization, and therefore emphasize national governments' role in tackling the crisis instead of free trade.

2.4 Eliminating Deflation: Neo-liberalism vs. Keynesianism

Pro- and anti- TPP opinions differ from each other over structural reform in Japan. The Pro-TPP group basically approves structural reform and argues that the TPP could help deepening the reform. The Anti-TPP group believes that structural reform is the main reason that Japan suffers consistently from deflation, and using TPP to push forward further reform would deteriorate deflation and even lead to the meltdown of Japanese society.

As a matter of fact, one of the motivations of TPP proponents is to push forward structural reform. The agricultural and financial sectors are known as the most outdated fields in terms of marketization. And the political power of the two sectors is too strong to be ignored. The Pro-TPP group believes that the TPP would be a perfect foreign pressure to force the two sectors to reform. In fact, there have been two major structural reforms since 1990s. One is the Hashimoto Cabinet's reform, and the other is the Koizumi Cabinet's reform. Both reforms seek to free the economy of regulation, especially in financial sector. The policy measures include tax hike, regulation relief, and privatization. These measures are based on small government, laissez-faire theory, and follow the neo-liberalism doctrine. If Japan participates in the TPP negotiations, further structural reforms could be expected according to the agenda of the TPP negotiations. In fact, the pro-TPP group is also a pro-reform group.³⁵

³³ Nakano Takeshi. *Riberaru na hogoshugi ni mukete* [Approach a liberal protectionism]. Kan. 2011 spring Vol. 45.

³⁴ Nakano Takeshi, Higashitani Satoshi & Mitsunashi Takaaki. May 2011. "*TPP kaikokuron*" no uso [The lie of TPP as an opportunity to open the country] Tōkyō: Asukashinsha. 162–166.

³⁵ *Nihon Keizai Shimbun*. 26 August 2010. *Ajiani FTA no nami* [The wave of Asia FTA].

The Anti-TPP group believes that the structural reforms made Japanese economy even worse, and the Koizumi reforms in particular enlarged the gap between the poor and the rich, and destroyed traditional Japanese lifestyle. Therefore the most urgent thing that Japan should do to stop deflation is to stop structural reform.³⁶ Some opponents even see the TPP as Japanese version of “shock doctrine”, that means to take advantage of the crisis and privatize the public sector.³⁷ They pointed out that following the practice of neo-liberalism, the U.S. experienced a financial big bang, the declining of middle class, and a huge income gap. President Obama tried to remedy this situation, but he failed. Therefore Japan should take the U.S. case as a warning. Now Japan’s biggest problem is deflation. The effective way of eliminating deflation is to follow Keynesianism and expand governmental expenditure to stimulate economic growth. And this is the exact opposite of what the TPP suggests.³⁸

Structural reform closely relates to the fundamental issue of Japan’s economic model: whether to maintain the old way of governmental intervention and protection on certain industries or to further marketize the economy without exception. However, structural reform is quite controversial in Japan nowadays. The former reforms helped to vitalize the economy to some extent, for example customers are able to enjoy more diversified postal and insurance services, but they are also blamed for the enlargement of the gap between the rich and the poor, the increase of jobless, and even the long term economic stagnation. The TPP debate provides a chance for the public to rethink the fundamental problems of the economy, yet the public opinion is still divided.

3. Conclusion

TPP is one of the most debatable issues in Japan’s current political scenario. These issues divide the public opinion and are the reasons for current political chaos. Due to the considerable effects that might follow as consequences of Japan’s joining the TPP and Japanese lasting complex feelings toward the U.S., the debate on whether Japan should participating in the TPP negotiation or not has stimulated an unprecedented concern by Japanese people. Both Kan and Noda’s cabinets announced Japan’s interest in joining the TPP negotiation, but neither is based on adequate discuss and consensus among Japanese people. This reflected different concerns between the government and the people with regards to the TPP. Furthermore, due to the lack of information transparency, divisions of public opinion have been deepened and it also influences the political situation in Japan.

3.1 The Opinion Gap between Policy Makers and the Public

Despite the divided public opinion, policy makers in Tokyo seem to have consecutive consideration toward the TPP. Political and bureaucratic elites concern more about Japan’s competitiveness and posi-

³⁶ Hagiwara Shinjirō. March 2011. *TPP: daisan no kōzōkaikaku*. Kyōto: Kamogawa Shuppansha.

³⁷ Kaneko Masaru. *Heisei zokkoku ka: TPP no uso* [The way toward dependency: TPP lies]. Sekai. 2011/11. 33–39.

³⁸ Nakano Takeshi, Higashitani Satoshi & Mitsuhashi Takaaki. May 2011. “*TPP kaikokuron*” *no uso* [The lie of TPP as an opportunity to open the country] Tōkyō: Asukashinsha. 237–287.

tion in the world. One Japanese politician made a famous controversial assertion that in order to protect the agricultural sector which only shares 1.5% of the total GDP; Japan is sacrificing the other 98.5%.³⁹ The principle trade negotiator for the Ministry of Economy, Trade, and Industry of Japan articulated that protectionism doesn't make sense, and emphasize the fact that Japan and the U.S. apply 50 percent of world patents as one of the reasons that the two countries should strengthen economic cooperation.⁴⁰ These opinions indicate that some policy elites who hold key positions stand on the side of the strong both domestically and internationally.

Based on the addresses by politicians and bureaucrats, some researchers concluded three major reasons why Japanese government is willing to join the TPP negotiation. First, Japan is endeavoring to research the possibility of negotiating EPA with EU and among JCK. It is necessary to strengthen economic cooperation with Japan's most important partner in political, economic, and security sense—the U.S. Since the U.S. is not positive in negotiating a U.S.–Japan EPA, TPP is an alternative in order to strengthen economic ties with the U.S. Second, because the discriminatory treatment between TPP members and non-TPP members is much severer than that of common FTAs, Japan would risk being left behind and could not enjoy low tariff of the member countries. In addition, the TPP has the potential of becoming the standard for global FTAs, and Japan should not miss the opportunity of making rules with the U.S. Third, in the wake of the boat collision incidents between Japan and China in 2010, and North Korea nuclear and missile problem, Japan becomes upset about the regional security situation, and intend to strengthen U.S.–Japan alliances through joining the TPP.⁴¹

According to the above analysis, Japanese government's major concerns are international relations, especially regional security, the formation of international economic order, and Japan's role. Pressures from the U.S.⁴² and Japanese ruling party's anxiety to fix the shaky U.S.–Japan alliance are in the background. Furthermore, the temptation of sharing the leadership of the Asia-Pacific regional economic regime with the U.S. contributes to the government's positive stands toward the TPP. However, these political considerations or ambitions do not match the spirit of free trade or economic cooperation; therefore they hardly appeared as official arguments for joining the TPP negotiation. This leads to the situation that the strategic consideration of the policy makers failed to be involved in the public debate, and the anti-TPP theory seldom reveals or criticizes the government's decision out of political

³⁹ *Nihon Keizai Shimbun*. 4 November 2010. *Nikkei*•CSIS *kyōsaishinpokōen Maehara Seiji shi Kunihira kaneba kyōsōryoku teika*. [The speech by Maehara Seiji on the symposium co-chaired by Nikkei and CSIS: Japanese competitiveness would fall if the country remain closed].

⁴⁰ Nakatomi Michitaka. 2011. Presentation for the "Japan and the Trans-Pacific Partnership" symposium, the Brookings Institution, Dec.2, 2011, Washington. Symposium transcript downloaded from: <http://www.brookings.edu/~media/events/2011/12/02%20transpacific%20partnership/1202_transcript_final>

⁴¹ Terada Takashi & Miura Hideyuki. *Nihon no TPP sankaketteikatei* [The policy making process of Japan's joining the TPP]. in Umada, Urata & Kimura ed. *Nihon no TPP senryaku: kadai to tenbō* [Japan's TPP strategy: tasks and perspectives]. Tōkyō: Bunshindō. May 2012. 150–167.

⁴² It is reported that the U.S. Assistant Secretary of State for East Asian and Pacific Affairs, Kirk M. Campbell urged Japan to join the TPP negotiation for several times. *Japan Press Network website*: <<http://www.47news.jp/CN/201010/CN2010102601000176.html>>, and *Nippon Television Network website*: <<http://www.news24.jp/articles/2011/11/04/10193853.html>>.

and national security related consideration. It is fair to say that due to the mismatch between Japanese political elites' strategic ambition and the civil society's main concern, the ongoing discuss among Japanese people could hardly have direct influence on the government's decisions, therefore the policy making process concerning Japan's joining the TPP mainly reflected the growth and decline of the relative influence to the political elites by related interest's groups.⁴³

3.2 Information Insufficiency Deepened the Division of Public Opinion

As a matter of fact, the anti-TPP opinions reached a peak only after the Kan Administration declared Japan's interest in joining the TPP negotiation, but the successive Noda Administration pushed further toward joining the negotiation despite of the rising opposite opinion of the public. As a result, public opinion is not decisive to the government's decision making with regards to the TPP issue. Although the recent opinion poll showed the pro-TPP rate exceeded the anti-TPP rate, more people think that the government is not doing enough in explaining the situation and providing related information.⁴⁴ However, Japanese government is not the only one to be blamed on this. Because the TPP negotiation itself is not transparent, even if the Japanese government tries to gain information from the TPP member countries and committed to the public it would provide information as much as possible, the result is far from satisfying.

The lack of information is an important reason for the division of public opinion. Due to the vagueness of the content of the TPP agreement and the secrecy of the negotiation process, the occasionally leaked information is the only factual basis for a judgment. Consequently, on the controversy of whether TPP would bring more merits than demerits to Japan, and the intention of the U.S., neither the proponents nor opponents of the TPP could persuade each other basing on clear facts. As a result, the division of the public opinion has been deepened, and the majority that in the middle are getting even more confused. In fact, there is a world-wide criticism pointing out that the TPP negotiation is the least transparent free trade negotiation in the history.⁴⁵ In the case when information provided by the government is insufficient, the influence of the mass media rises. While the most influential newspapers take the position in favor of the TPP proponents, most of the anti-TPP opinions appear in publications such as articles and books, or make known to the public through the news report on anti-TPP demonstrations. That means the pro-TPP opinion is overwhelming as far as the mass media is con-

⁴³ Some researchers point out that the positive change of attitude toward TPP from Kan cabinet to Noda cabinet is due to the growing influence of the enterprises interests group. See Terada Takashi & Miura Hideyuki. May 2012. *Nihon no TPP sanku kettei katei* [The policy making process of Japan's joining the TPP]. In Umada Keiichi, Urata Shūjirō & Kimura Fukunari (eds.) *Nihon no TPP senryaku: kadai to tenbō* [Japan's TPP strategy: tasks and perspectives]. Tōkyō: Bunshindō. 150-167.

⁴⁴ Kuno Arata. May 2012. *TPP o meguru yūkensya no senkō keisei mekanizumu* [The mechanism of the formation of the voters preference concerning on the TPP]. In Umada Keiichi, Urata Shūjirō & Kimura Fukunari (eds.) *Nihon no TPP senryaku: kadai to tenbō* [Japan's TPP strategy: tasks and perspectives]. Tōkyō: Bunshindō. 171.

⁴⁵ For example, Gary Horlick, a former U.S. government trade official said at a Global Business Dialogue Forum on the TPP FTA in late January. "This is the least transparent trade negotiation I have ever seen." Quoted from the letter to President Obama urging for more transparency in trade negotiations from several groups. See: <http://www.openthegovernment.org/sites/default/files/Transparency%20Trade%20Letter-Final.pdf>.

cerned. An inevitable gap of information spreading between the pro- and anti- TPP opinions could be counted as one of the reasons that the pro-TPP rate exceeds the anti-TPP rate in recent opinion polls.

3.3 The TPP debate and the Rising Citizens' Movement

While the lack of information makes the public opinion more divided on the gains and loss of joining the TPP and the perception of the U.S. intention, the division of opinions concerning effective measures to tackle the crisis and free trade reflects the more universal debate on how to deal with globalization. In the end of last century, anti-globalization movement became wide spread in many developed countries, but few such movements were seen in Japan. This should be attributed to Japanese government's efforts in protecting its less competitive industries while its competitive multinational companies benefited significantly against the background of globalization. It is fair to say that Japan has managed to take advantage of the globalization and avoid its negative impact by adopting protectionism to a certain extent. However, if Japan signed a high standard free trade agreement like the TPP, it would have to abolish or at least reduce protection policies, and this makes some Japanese people feel the threat of the global competition. Realizing possible harms that would be brought about by joining the TPP, the opponents devoted themselves in rethinking the fundamental theory of the TPP, namely the theory of free trade and neo-liberalism in economic policy. These reflections and criticisms are actually in concert with the anti-TPP opinions in other countries such as the U.S. and Australia. For instance, a U.S. observer pointed out that the TPP aims at facilitating offshoring investment by eliminating risks typically associated with relocating to developing countries with rock-bottom wages.⁴⁶ In practice, foreign activists who oppose the TPP are invited to Japan to give presentation to the public. This means that anti-TPP is a turning point for Japan's counter-globalization movement's development.

Actually, anti-TPP opinion is becoming one of the main themes of the rising citizens' movement together with the appeals for a no nuke society and stopping tax hike. The new wave of citizens' movement is triggered by the government's decision of restarting the Ōi Nuclear Power Plant one year after the Fukushima Daiichi nuclear disaster. Taking into consideration the number of participants and the duration, this wave of citizens' movement is the most influential one since 1970s. As a result, not only anti-nuclear but also anti-TPP and anti-tax-hike become major demands of the movement. Since the Democratic Party of Japan (DPJ) came into power in 2009, the voters have expected a fresh political future which could break the old style "Iron Triangle" of politicians, bureaucrats, and business. However, the DPJ government's decision on the issues mentioned above shows that "Iron Triangle" persists under DPJ government. As a result, political distrust among Japanese people becomes even stronger. Especially when facing multi-crisis, the government's decision on TPP without adequate discussion among the public proves to be one of the catalysts of the rising citizens' movement.

⁴⁶ Lori Wallach. 2012. A stealth attack on democratic government. *The American Prospect*. April (2012). 51–54.

3.4 The Political Impact of the Debate

The ongoing TPP debate has direct influence on Japan's politics in the way that it causes clash of opinions inside both the ruling and the opposition parties. Despite the influence and pressure by related interest groups, different public opinions affect the diet members through various kinds of "study groups". A cross-party diet members association named "thinking TPP prudently" was established, and the number of participants reached 180.⁴⁷ Right before the APEC summit in the year of 2011, the largest opposition party of the diet then, the Liberal Democratic Party passed a resolution opposes Japan's joining the TPP negotiation.⁴⁸ Although in June, 2012 the U.S. announced accepting Canada and Mexico as new TPP members, and this makes the appealing for an early announcement of Japan's official participation reaching a new peak, there is a strong anti-TPP opinion inside the DPJ that impedes Prime Minister Noda's official announcement. Under the chaotic political situation, no leader could risk the integration of the ruling party on the TPP issue. The anti-TPP opinion obviously delayed the government's declaration for joining the TPP negotiation.

At the same time, the debate has drawn Japanese people's attention to the possible negative influence by joining the TPP. Even if the government finally decided to join the negotiation, more efforts would be given to protect the weak sectors in order to prevent the worst situation. For instance, a TPP opponent pointed out that due to the opposition parties' pressure, the government has admitted the possible impact which the TPP would bring about to the medical sector, and the government won't let the Universal Health Insurance System to collapse.⁴⁹ No matter what decision the Japanese government will make in the end, during the debate, the U.S.-Japan relations, measures in tackling the crisis, the solution for Japanese economic problems, and related fundamental issues are widely and deeply discussed among Japanese elites and common citizens. Various political and economic thoughts that have existed in Japanese society for a long period have the chance to exchange and debate with each other. Although there is no consensus concluded up till now, during this process, the merits and demerits of Japan's joining the TPP have been thoroughly discussed and this could be one of the benefits brought about by the TPP debate at least.

⁴⁷ *Asahi Shimbun*. 24 February 2011. *Minsyu giin ra han TPP dantai setsuritsu: seifu setsumeikai to dōjitsu ni syukkai* [The DPJ diet members established an anti-TPP group: meeting was held on the same day when the government held an explanatory meeting].

⁴⁸ *Nippon Television Network website*. 4 April 2011. *APEC de no TPP sankā hyōmei ni hantai jimintō* [LDP opposed the announcement of joining the TPP on the occasion of APEC meetings]. <<http://www.news24.jp/articles/2011/11/04/04193881.html>>.

⁴⁹ Niki Ryū. May 2012. *TPP to iryō no sangyōka* [TPP and the industrialization of the medical sector]. Tōkyō: Keisō Shobō. 23–64.